

**SLOUGH SCHOOLS' FORUM**  
**10<sup>th</sup> October 2017**

**Directorate of Children, Learning and Skills**

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**Early Years Funding**

**1 PURPOSE OF REPORT**

This report updates Schools' Forum (SF) on:

- The timetable for development of the 2018-19 budget and key issues to be addressed; and
- Early Years DSG block 2016-17 outturn

**Background**

- 1.1 The July Schools' Forum requested that the timetable for the 2018-19 budget based on the EYNFF be prepared to include the consultation process. A draft timetable is included in this report.
- 1.2 The report contains the 2016-17 DSG outturn and also highlights a number of key funding issues facing the EY service in 2018-19.

**2 RECOMMENDATIONS**

- 2.1 Schools' Forum is asked to note this report.

**3 REASONS FOR RECOMMENDATIONS**

- 3.1 To respond to minute 564 of July Schools' Forum meeting.

**4 SUPPORTING INFORMATION**

- 4.1 A draft timetable is set out below.

| <b>Timeline</b>  | <b>Activity</b>   | <b>Proposed Completion Date</b> | <b>Target</b> |
|------------------|---|---------------------------------|---------------|
| October          | Prepare headcount/take up data using latest census                        | 31 <sup>st</sup> October 2017   |               |
| October          | Build financial model and options   | 31 <sup>st</sup> October        |               |
| November         | Review centrally retained activities and budgets to meet 95% pass through | 17 <sup>th</sup> November       |               |
| November         | Early Years Funding Group meeting to consider options                     | 23 <sup>rd</sup> November       |               |
| Mid December     | EFA publish initial DSG EY block allocations                              | 18 <sup>th</sup> December       |               |
| December         | Consult EY providers on EYNFF options through EY Funding Group            | 12 <sup>th</sup> December       |               |
| December/January | Further modelling to test affordability                                   | 21 <sup>st</sup> December       |               |
| January          | SF consulted on 2018-19 EYNFF funding rates                               | 11 <sup>th</sup> January 2018   |               |

- 4.2 The name Early Years Task Group replaces the former Task and Finish Group as a more representative title to oversee the EYNFF given that the NFF framework is now set up.
- 4.3 The development of the 2018-19 EYNFF has to accommodate three key requirements namely:
1. Continued roll out of the additional 15 hours free entitlement
  2. Reduction of centrally retained EY DSG to 5%
  3. Migration to a universal base rate by April 2020

## 5. Early Years DSG block 2016-17 outturn

- 5.1 The council received **£11.4m** in funding for this block which was in line with what was expected. A total of **£12.4m** was spent to support the educational needs of children in this sector. Compared to the budgeted resources, this was overspent by **£885k**. However when the balance from 15/16 is taken into account the final balance for the year was a small surplus of **£6k**. This will be carried forward to 17/18 and added to the budget for that year. The table below compares the budget and outturn for 2016-17.

| <b>Early Years Block</b>                     | <b>Budget</b>     | <b>Actual</b>     | <b>Variance</b> |
|--|-------------------|-------------------|-----------------|
| <b>Income</b>                                |                   |                   |                 |
| Early Years DSG                              | 11,367,000        | 11,368,000        | (1,000)         |
| <b>Income Total</b>                          | <b>11,367,000</b> | <b>11,368,000</b> | <b>(1,000)</b>  |
| <b>Expenditure</b>                           |                   |                   |                 |
| Other Grant Funding                          | 175,930           | 27,589            | (148,341)       |
| Participation Funding                        | 10,808,581        | 11,542,880        | 734,299         |
| <b>Subtotal Early Years Funded</b>           | <b>10,984,511</b> | <b>11,570,469</b> | <b>585,958</b>  |
| Centrally Retained                           | 300,570           | 599,956           | 299,386         |
| DSG Mott Macdonald                           | 260,592           | 260,193           | (399)           |
| <b>Subtotal Centrally Retained</b>           | <b>561,162</b>    | <b>860,149</b>    | <b>298,987</b>  |
| <b>Expenditure Total</b>                     | <b>11,545,673</b> | <b>12,430,618</b> | <b>884,945</b>  |
| 2016/17 In Year Outturn                      | 178,673           | 1,062,618         | 883,945         |
| Early Years DSG Brought Forward from 2015/16 | 0                 | (890,251)         | (890,251)       |
| Early Years DSG Carried Forward to 2017/18   | 0                 | 5,945             | 5,945           |
| Non-Controllable Costs - Early Years Block   | 51,493            | 51,854            | 361             |
| <b>Early Years Block Total</b>               | <b>230,166</b>    | <b>230,166</b>    | <b>0</b>        |

- 5.2 The extra expenditure relates to more free nursery hours paid for than budgeted. The Early Years participation budgets are based on census numbers from summer and autumn terms 2015 and an estimate of the census for January 16 whereas the payments to schools, nurseries and PVIs are based on the actual uptake of hours. It is anticipated that this

extra income will be received when the later census of places provided is validated by the DfE and then paid in the coming financial year.

## **6 ALTERNATIVE OPTIONS CONSIDERED**

- 6.1 Will be part of the 2018-19 budget development process.

## **7 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS**

### Monitoring Officer

- 7.1 The relevant legal provisions are contained within the main body of this report.

### Section 151 Officer – Strategic Director of Resources

- 7.2 The financial implications of the report are outlined in the supporting information.

## **8 CONSULTATION**

### Principal Groups Consulted

- 8.1 All early years providers will be consulted on the proposed funding options as part of the budget development process.

### Method of Consultation

- 8.2 To be agreed at EY Funding Group

### Representations Received

- 8.3 Not applicable.

### Contacts for further information

John Voytal – Schools Finance  
[John.Voytal@slough.gov.uk](mailto:John.Voytal@slough.gov.uk)

Michael Jarrett - Head of Service, Early Years and Children's Centres  
[Michael.Jarrett@slough.gov.uk](mailto:Michael.Jarrett@slough.gov.uk)